

Message Text

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PAGE 01 PARIS 06116 021613Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 AID-05 CEA-01 CIAE-00 COME-00
FRB-01 INR-07 NSAE-00 SP-02 STR-04 TRSE-00 LAB-04
SIL-01 OMB-01 L-03 INT-05 JUSE-00 /055 W
-----030823 114418 /13

R 021612Z MAR 77
FM AMEMBASSY PARIS
TO SECSTATE WASHDC 0172
INFO USMISSION EC BRUSSELS
AMCONSUL MARSEILLE

UNCLAS PARIS 06116

E.O. 11652: N/A
TAGS: ETRD EC FR
SUBJECT: US STEEL COUNTERVAILING DUTY CASE

REFS: (A) STATE 311342 (1976); (B) EC BRUSSELS 0088;
(C) STATE 002473

1. DURING PAST MONTH, WE HAVE ON TWO OCCASIONS
DISCUSSED WITH GOF OFFICIALS U.S. STEEL ALLEGATION
(PARA 6, REF A) REGARDING VAT EXONERATION ON FIXED
ASSETS AT SOLMER FOS STEEL PLANT. BOTH PIERRE ACHARD,
CABINET DIRECTOR FOR FOREIGN TRADE MINISTER ROSSI AND
MICHEL PERRICADET, DEPUTY DIRECTOR AT MINISTRY OF
INDUSTRY GAVE US IDENTICAL RESPONSES.

2. WHILE STRESSING THAT THEY HAD NO PRIOR KNOWLEDGE
OF DETAILS OF U. S. STEEL COMPLAINT, BOTH MEN QUICKLY
REACTION TO ALLEGATION OF VAT EXONERATION ON FOS FIXED
ASSETS. THEY DESCRIBED CHARGE AS ERRONEOUS AND SAID
ONLY FOS EXPORT PRODUCTION ITSELF IS RELIEVED OF VAT ON
BASIS OF TRADITIONAL EUROPEAN ARGUMENT VIEWING THIS AS
TYPE OF INDIRECT BUT "NATIONAL" TAX WHICH HAS BEHIND IT
ACCEPTED PRECEDENTS OF EXPORT REBATE. HOWEVER, THEY
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MAINTAIN, FIXED ASSETS AT FOS WERE FINANCED WITH
ASSISTANCE OF INVESTMENTS "DIRECTLY SUBSIDIZED" BY GOF
AS PART OF NATIONAL PROGRAM TO STIMULATE SELECTED
ECONOMICALLY DEPRESSED REGIONS. THEY SAID VAT RELIEF,
AS SUCH, WOULD NOT COME UNDER CONSIDERATION IN
PROGRAMMING THESE CAPITAL INVESTMENTS.

RUSH

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NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Copy: SINGLE
Sent Date: 02-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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